

RECORDATION NO. 8661 Filed & Recorded

DETROIT BANK & TRUST
INTERSTATE COMMERCE COMMISSION

RECEIVED

RECORDATION NO. 8661-4 Filed & Recorded

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JAN 17 1977 - 11 45 AM FEE OPERATION BR.

ROBERT C. ROBINSON
VICE PRESIDENT

INTERSTATE COMMERCE COMMISSION January 14, 1977

RECORDATION NO. 8661 Filed & Recorded

Secretary

Interstate Commerce Commission

Constitution Ave. & 12th, N.W.

Washington, D.C. 20423

JAN 17 1977 - 11 45 AM

INTERSTATE COMMERCE COMMISSION

Date JAN 17 1977

Fee \$ 70-

Subject: Assignment of Lease and Security Agreements
covering Lease Receivables and Equipment

ICC Washington, D. C.

Dear Sir

Enclosed please find for filing and recordation under Section 20-C of the Interstate Commerce Act and the regulations promulgated thereunder, two fully executed and acknowledged counterparts and one certified true copy of the following described documents:

1. Assignment of Lessor's interest in Lease between Bay Aviation Company and The Detroit Bank and Trust Company dated January 12, 1977.
2. A Security Agreement covering equipment executed by Charles A. Pinkerton, Jr. dated January 12, 1977.
3. A Security Agreement covering Lease Receivables executed by Charles A. Pinkerton, Jr. dated January 12, 1977.

INTERSTATE
COMMERCE COMMISSION
RECEIVED

JAN 17 1977

ADMINISTRATIVE SERVICES
MAIL UNIT

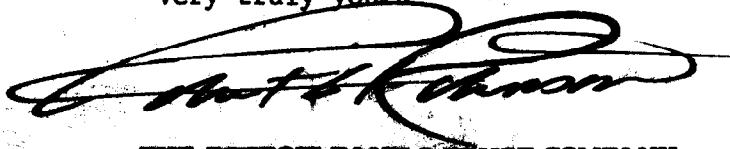
A general description of the equipment covered by the above documents is as follows:

One (1) remanufactured M-K designated Locomotive
Serial No. 84779

Enclosed you will find our Cashier Check No. LD-2196 in the amount of \$70.00 made payable to the Interstate Commerce Commission to cover recordation fees for the above.

Please return one recorded counterpart of the aforesaid documents to my attention.

Very truly yours



THE DETROIT BANK & TRUST COMPANY
P.O. Box 59, Detroit, MI 48231

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

1/18/77

OFFICE OF THE SECRETARY

Robert C. Robinson
Detroit Bank & Trust
P.O.Box 59
Detroit, Mi. 48231

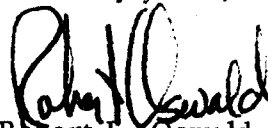
Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 1/17/77 at 11:45am
and assigned recordation number(s) 8661 &

8661-A

8661-B

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

4. DEFAULTS, ENFORCEMENT AND APPLICATION OF PROCEEDS

- 4.1 Upon the occurrence of any of the following events (herein sometimes called an "Event of Default"), Debtor shall be in default under this Agreement:
- (i) Any failure or neglect to comply with, or breach of, any of the terms, provisions, warranties or covenants of this Agreement and any other agreement or commitment between the Debtor and the Bank; or
 - (ii) Any failure to pay the Indebtedness when due, or such portion thereof as may be due, by acceleration or otherwise; or
 - (iii) Any warranty, representation, financial statement, or other information made, given or furnished to Bank by or on behalf of Debtor shall be, or shall prove to have been false when so made, given, or furnished; or
 - (iv) The issuance or filing of any attachment, levy, garnishment or the commencement of any proceeding in connection therewith or, of any other judicial process of or upon Debtor or any of the Collateral; or
 - (v) Sale or other disposition by Debtor of any substantial portion of its assets or property, or death, dissolution, termination of existence, insolvency, business failure, or assignment for the benefit of creditors of or by Debtor or any guarantor; or commencement of any proceedings under any State or Federal bankruptcy or insolvency laws or laws for the relief of debtors by or against Debtor or any guarantor; or the appointment of a receiver, trustee, court appointee, sequestrator, or otherwise, for all or any part of the property of Debtor or any guarantor; or
 - (vi) Bank deems the margin of Collateral insufficient or itself insecure, in good faith believing that the prospect of payment of the Indebtedness or performance of this Agreement is impaired or shall fear deterioration, removal or waste of the Collateral.
- 4.2 Upon the occurrence of any Event of Default, Bank may at its discretion and without prior notice to Debtor declare any or all of the Indebtedness to be immediately due and payable, and shall have and may exercise any one or more of the following rights and remedies:
- (i) Exercise all the rights and remedies upon default, in foreclosure and otherwise, available to secured parties under the provisions of the Uniform Commercial Code and other applicable law;
 - (ii) Institute legal proceedings to foreclose upon and against the lien and security interest granted by this Agreement, to recover judgment for all amounts then due and owing as Indebtedness secured hereby, and to collect the same out of any of the Collateral or the proceeds of any sale thereof; or
 - (iii) Institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any or all of the Collateral.
- 4.3 At any time after the occurrence of an Event of Default, Debtor shall, at the request of Bank, notify the account debtors or obligors of the security interest of Bank in any Accounts Receivable and direct payment thereof to Bank. Bank may, itself, upon the occurrence of any Event of Default so notify and direct any such account debtor or obligor and make take control of any proceeds to which it may be entitled hereunder.
- 4.4 The proceeds of any sale or other disposition of Collateral authorized by this Agreement shall be applied by Bank first upon all expenses authorized by the Uniform Commercial Code and all reasonable attorney's fees and legal expenses incurred by Bank; the balance of the proceeds of such sale or other disposition shall be applied in the payment of the Indebtedness, first to interest, then to principal; and the surplus, if any, shall be paid over to Debtor or to such other person or persons as may be entitled thereto under applicable law. Debtor shall remain liable for any deficiency which it shall pay to Bank immediately upon demand.
- 4.5 Nothing herein contained is intended, nor should it be construed, to preclude Bank from pursuing any other remedy provided by law for the collection of the Indebtedness or any portion thereof, or for the recovery of any other sum to which Bank may be or become entitled for the breach of this Agreement by Debtor.
- 4.6 No waiver of default shall be effective unless in writing signed by an officer of Bank, and no waiver of any default or forbearance on the part of Bank in enforcing any of its rights under this Agreement shall operate as a waiver of any other default or of the same default on a future occasion or of any such right.
- 4.7 Debtor hereby irrevocably appoints Bank the true and lawful attorney of Debtor (with full power of substitution) in the name, place and stead of, and at the expense of Debtor:
- (i) To demand, receive, sue for and give acquittances for any moneys due or to become due on any Account Receivable;
 - (ii) With respect to any Collateral, to assent to any or all extensions or postponements of the time of payment thereof or any other indulgence in connection therewith, to the substitution, exchange or release of Collateral, to the addition or release of any party primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromise or adjustment thereof, all in such manner and at such time or times as Bank shall deem advisable;
 - (iii) To make all necessary transfers of all or any part of the Collateral in connection with any sale, lease or other disposition made pursuant hereto;
 - (iv) To execute and deliver for value all necessary or appropriate bills of sale, assignments, and other instruments in connection with any such sale, lease or other disposition, Debtor hereby ratifying and confirming all that its said attorney (or any substitute) shall lawfully do hereunder and pursuant hereto. Nevertheless, if so requested by Bank or a purchaser or lessor, Debtor shall ratify and confirm any sale, lease or other disposition by executing and delivering to Bank or such purchaser or lessor all proper bills of sale, assignments, releases, leases and other instruments as may be designated in any such request;
 - (v) Upon the occurrence of an event of default, to establish a United States Post Office Box in the name of Debtor but under the exclusive custody and control of Bank; to direct all parties obligated on any Account Receivable to make all payments due and to become due thereon to the United States Post Office Box established by Bank in the name of Debtor or to make said payments directly to Bank; to direct the Postmaster of the United States Post Office to forward to the Bank all mail addressed to the Debtor or to hold all mail addressed to Debtor at the Post Office until an officer or employee of the Bank shall request possession of same; to open and dispose of all mail, howsoever received by Bank, addressed to Debtor; and to endorse any item, howsoever received by Bank, representing any payment on or other proceeds or products of the Collateral.
- 4.8 Upon the occurrence of an event of default, Debtor also agrees, upon request of Bank, to assemble the Collateral and make it available to Bank at any place designated by Bank which is reasonably convenient to Bank and Debtor.

5. MISCELLANEOUS

- 5.1 This Agreement shall in all respects be governed by and construed in accordance with the laws (including the conflict of laws rules) of the State of Michigan.
- 5.2 This Agreement shall be terminated only by the filing of a Termination Statement in accordance with the applicable provisions of the Uniform Commercial Code. Until terminated, the security interest hereby created shall continue in full force and effect and shall secure and be applicable to all advances now or hereafter made by Bank to Debtor whether or not Debtor is indebted to Bank immediately prior to the time of any such

5.3 This Agreement and all such rights and remedies shall inure to the benefit of Bank's successors and assigns and to any other holder who derives from Bank title to or an interest in the indebtedness or any portion thereof, and shall bind Debtor and the heirs, legal representatives, successors and assigns of Debtor.

5.4 Bank assumes no duty of performance or other responsibility under any contracts in which Bank is assignee of contract rights.

In the event that any mandatory requirement of applicable law shall obligate Bank to give prior notice to Debtor of any action to be taken hereunder, Debtor hereby agrees that a written notice given to it at least ten days before the date of any such act, shall be deemed to be reasonable notice of such act and, specifically, reasonable notification of the time after which any private sale, lease or other disposition intended to be made hereunder is to be made. A notice shall be deemed to be given when delivered to Debtor or when placed in an envelope addressed to Debtor and deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States Postal Service. The mailing shall be registered, certified or other first class mail.

5.5 Debtor and Bank hereby irrevocably waive the right to trial by jury with respect to any and all actions or proceedings at any time in which Debtor and Bank are parties whether such actions or proceedings arise out of this Agreement or otherwise.

6. STATEMENT OF BUSINESS NAME, RESIDENCE AND LOCATION OF COLLATERAL

Debtor warrants, covenants and agrees as follows:

6.1 Debtor's principal place of business is located in the County of _____
State of _____ The mailing address is:

No. and Street _____ City _____ Zip Code _____

6.2 If Debtor is an individual or sole proprietor, Debtor's principal place of residence (if any) is located in the County of Iosco,
State of Michigan The mailing
address is: 1450 Tawas Beach Road East Tawas 48730
No. and Street _____ City _____ Zip Code _____

6.3 If not already indicated above, Debtor's principal place of business and residence in Michigan are indicated below:

6.4 Until Bank is advised in writing by Debtor to the contrary, all notices, requests and demands required hereunder or by law shall be given to, or made upon Debtor at the address indicated in Paragraph 6.1.

6.5 The Collateral will be kept at the address of Debtor shown in Paragraph 6.1 and/or at such other address as is indicated below:

120 Oak Street, Tawas City, Michigan, 48763

6.6 Debtor will give Bank prompt written notice of any change in the above names and/or addresses.

7. SPECIAL PROVISIONS APPLICABLE TO THIS AGREEMENT

Dated and delivered at Detroit,

Michigan

January 12, 1977

CHARLES A. PINKERTON, JR.

By

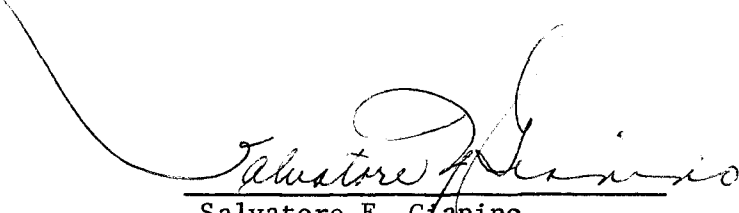
Its

By

Its

January 13, 1977

I, Salvatore F. Gianino, have reviewed the attached copy and it is a true copy of the original. I hereby certify that it is a true copy.


Salvatore F. Gianino
Certified Notary Public
In and For

Monroe County, Michigan

EXP. DATE 10-17-79.

RECORDATION NO. 9001 Filed & Recorded

JAN 17 1977 -11 45 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9001 - A Filed & Recorded

JAN 17 1977 -11 45 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9001 - B Filed & Recorded

JAN 17 1977 -11 45 AM

INTERSTATE COMMERCE COMMISSION

RECORDED NO. 9661 Filed & Recorded

JAN 17 1977 -11 45 AM

NICHOLS TRUST COMPANY a Michigan

an, herein called "Bank," a continuing

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olicies and certificates of insurance, deposits, hereafter acquires an interest and which are

- as amended.

Article 9 (or, absent definition in Article 9, in any
United States of America, any State, City, County

- 5: